

DRAFT – Internal - Deliberative

October 19, 2017

Dear Senators Grassley, Ernst, Roberts, Thune, Rounds, Fischer, and Sasse,

My responsibility as Administrator of the Environmental Protection Agency (EPA) is to faithfully administer the laws passed by the U.S. Congress. This Agency must and will respect those laws. When it comes to the broad spectrum of environmental statutes the EPA is responsible for implementing, including the Renewable Fuel Standard (RFS), that is exactly what we have done.

The first RFS-related issue I encountered as Administrator was a pending petition requesting this Agency move the “point of obligation” from refiners and importers to blenders. After detailed analysis, numerous meetings with many stakeholders, and review of the over 18,000 comments received, the record demonstrates that granting that petition would not be appropriate. I have directed my staff to finalize this decision within 30 days.

Second, to provide stakeholders the certainty and predictability they need, EPA will meet the statutory deadline to issue a final RVO rule by November 30, 2017. On July 21, 2017, EPA issued a proposed RVO rule that would require 19.24 billion gallons of biofuel to be blended into the nations fuel supply. Of the 19.24 billion gallons, 15 billion gallons would be met through the blending of conventional or corn-based ethanol and the remaining 4.24 billion gallons would be met by blending a combination of advanced biofuels, at least 238 million gallons of cellulosic biofuel, and at least 2.1 billion gallons of biomass-based diesel. While the process for determining the final RVO Rule is ongoing, it would not be appropriate for the Agency to prejudge the outcome of the rulemaking process. Nevertheless, preliminary analysis suggests that all of the final RVOs should be set at amounts that are equal to or greater than the proposed amounts, including at least 2.1 billion gallons for biomass-based diesel in 2018 and 2019.

Key members of Congress have advocated for a nationwide Reid Vapor Pressure (RVP) waiver for E15, and other midlevel ethanol blends, so that E15 may be sold throughout the entire year without disruption. The EPA is actively exploring whether it possesses the legal authority to issue such a waiver. The Agency would welcome the opportunity to work with Congress on this important issue, including reviewing and discussing any legal analysis and technical assistance for legislative and administrative proposals relating to the RVP waiver.

Finally, the Agency has been discussing a range of ideas intended to stabilize RFS compliance costs. One of these ideas presented to EPA would involve amending our regulations to modify the treatment of Renewable Identification Numbers (RINs) associated with ethanol exports. EPA has not taken any formal action to propose this idea, nor will it will pursue any actions in the future that advance this idea through the regulatory process or otherwise.

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I look forward to continuing to engage in constructive and meaningful dialogue on these and other RFS-related issues. I reiterate my commitment to you and your constituents to act consistent with the text and spirit of the RFS. I take seriously my responsibility to do so in an open and transparent manner that advances the full potential of this program as envisioned by Congress, rural America and the President of the United States.

Sincerely,

E. Scott Pruitt

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